

If Democrats Controlled the House...

A Weekly Taste of Their Legislative Agenda

June 22, 2012



Proposal: H.R. 5901, Catching Up To 1968 Act

Sponsor: Rep. Jesse Jackson Jr. (D-IL)

Summary: This proposed law would increase the minimum wage to \$10 an hour, and increase the minimum wage for “tipped employees” to \$5.50 an hour. These changes would occur within 60 days of enactment of this legislation.

Problems with the Bill: It is a well known economic rule that increasing the minimum wage leads to fewer available jobs. If employers are required to pay more than they can afford to their employees, they will often be forced to cut employees from the payroll so that the company does not go under. This radical legislation would decrease the number of Americans in the workforce for the benefit of those who remain. The bill also feigns historical parallels which do not exist—the 1968 Act, to which the title of the bill refers, occurred when the United States was at largely full employment; today, the U.S. is officially at 8.2% unemployment, and this number is even higher when taking into account those who have given up looking for jobs.

What is more, the bill would also specifically address the minimum wage for employees who rely in large part on tips, depleting the available jobs in areas such as restaurants. All jobs are important to preserve in a free market, but jobs based on tips in particular are often worked as a second job by the people who desperately need the money. It is inexcusably wrong for the government to step in and create policies which will take these jobs away from the people who need them most. Good intentions to not guarantee good legislation, and this proposal would simply put more Americans out of work.

Reminder: RSC staffers and interns are encouraged to send other examples of questionable legislation to Rick.Eberstadt@mail.house.gov.